

## Calendar No. 500

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SENATE

{ REPORT  
106-270

### TO INCREASE THE MAXIMUM ACREAGE OF FEDERAL LEASES FOR SODIUM

APRIL 12, 2000.—Ordered to be printed

Mr. MURKOWSKI, from the Committee on Energy and Natural  
Resources, submitted the following

### REPORT

[To accompany H.R. 3063]

The Committee on Energy and Natural Resources, to which was referred the Act (H.R. 3063) to amend the Mineral Leasing Act to increase the maximum acreage of Federal leases for sodium that may be held by an entity in any one State, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the Act do pass.

#### PURPOSE OF THE MEASURE

The purpose of H.R. 3063 is to amend the Mineral Leasing Act to increase the maximum acreage of Federal leases for sodium that may be held by an entity in any one State, and for other purposes.

#### BACKGROUND AND NEED

H.R. 3063 would increase the statutory acreage limit on producers of sodium minerals from the current maximum of 15,360 acres to 30,720 acres. The current acreage limitation was enacted in 1948 and has not been changed since. Current producers are nearing the existing 15,360 acre limit and have had to take extraordinary and expensive measures to stay within current acreage limitations. Mergers among soda ash firms have forced firms to work around acreage limits rather than focusing on maximum extraction of the minerals. In addition, new trona mining techniques which promote maximum recovery of the resource require a larger mine sizes. Other minerals, such as coal, oil and gas, and phosphate that have statutory or regulatory limits have been increased in the intervening five decades. The acreage limitation for potash is set by regulation and the BLM just proposed increasing the limit

from 51,200 to 96,000 acres for reasons very similar to those for trona.

The legislation is not intended to inhibit competition nor to create a barrier to new entrants. Ample amounts of federal trona acreage will remain available for leasing.

#### LEGISLATIVE HISTORY

H.R. 3063 was introduced on October 13, 1999, by Congresswoman Cubin. On November 16, 1999, the bill passed the House by a voice vote. The Subcommittee on Forests and Public Land Management held a hearing on H.R. 3063 and its companion Senate measure, S. 1722, on February 24, 2000. At the business meeting on April 5, 2000, the Committee on Energy and Natural Resources ordered H.R. 3063 reported favorably without amendment.

#### COMMITTEE RECOMMENDATION AND TABULATION OF VOTES

The Senate Committee on Energy and Natural Resources, in open business session on April 5, 2000, by a unanimous voice vote of a quorum present recommends that the Senate pass H.R. 3063 without amendment.

#### SECTION-BY-SECTION ANALYSIS

Section 1 describes the findings of the Congress.

Section 2 amends the Mineral Leasing Act (30 U.S.C. 184(b)(2)) by increasing the acres to 30,720.

#### COST AND BUDGETARY CONSIDERATIONS

The Congressional Budget Office (CBO) estimate of the costs of this measure has been requested but was not received at the time the report was filed. When the CBO report is available, the Chairman will request it to be printed in the Congressional Record for the advice of the Senate.

#### REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out H.R. 3063.

The bill is not a regulatory measure in the sense of imposing Government-established standards or significant economic responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of H.R. 3063, as ordered reported.

#### EXECUTIVE COMMUNICATIONS

On April 6, 2000 the Committee on Energy and Natural Resources requested legislative reports from the Department of the Interior and the Office of Management and Budget setting forth Executive agency recommendations on H.R. 3063. These reports had not been received at the time the report on H.R. 3063 was

filed. When the reports become available, the Chairman will request that they be printed the Congressional Record for the advice of the Senate. The testimony provided by the Bureau of Land Management at the Subcommittee hearing follows:

STATEMENT OF JOHN NORTHINGTON, SENIOR ADVISOR TO  
THE DIRECTOR, BUREAU OF LAND MANAGEMENT, DEPARTMENT OF THE INTERIOR

Mr. Chairman, Members of the Committee, thank you for the opportunity to come before you to provide the Administration's views on S. 1722 and H.R. 3063 which would amend the Mineral Leasing Act to double the maximum acreage limits of Federal leases for sodium; and S. 1950, another amendment to the Mineral Leasing Act which seeks to ensure the orderly development of coal, coalbed methane, natural gas, and oil in the Powder River Basin of Wyoming and Montana.

The Administration supports enactment of S. 1722 and H.R. 3063. They will enhance full, efficient recovery of the Federal mineral assets, supporting economic development of a vital American industry. The current statutory limit of 15,360 acres for sodium leases is hampering, rather than enhancing, the goal of full efficient recovery of the sodium resource. Legislation is required to raise the acreage limit because it was set by the Mineral Leasing Act of 1920, as amended.

We support S. 1722 and H.R. 3063 because: (1) similar leasable minerals have higher acreage limits; (2) mergers among soda ash firms have forced firms to work around acreage limits rather than focusing on maximum extraction of the minerals, and (3) new trona mining techniques which promote maximum recovery of the resource should be matched with larger mine sizes.

Trona is mined on Federal lands through Federal sodium leases. The primary product of trona mining is soda ash (sodium carbonate), a basic industrial chemical that is used for glass making and a variety of consumer products, including baking soda, detergents and pharmaceuticals. Sweetwater County in Southwestern Wyoming contains the world's largest body of trona deposits (estimated at 50–100 billion tons). Wyoming produces 90 percent of US soda ash from trona; 17.7 million tons were mined in 1998.

The sodium lease limit of 15,360 acres in any one state, 30 U.S.C. 184(b)(2), was established by Congress in a 1948 amendment to the Mineral Leasing Act of 1920. The trona industry was in its infancy at the time of the 1948 acreage amendment. Both the trona industry and demand have greatly expanded since 1948. Other leasable minerals have much higher acreage limits. The acreage limit for some other important leasable minerals, whether established by statute or regulation, is listed below:

Oil and gas—246,080 acres  
Potash—96,000 acres

Coal—46,080 acres

Ownership patterns within the soda ash industry are changing through mergers and acquisitions. Two of the Bureau of Land Management's (BLM) sodium lessees in southwest Wyoming, FMC and Tg Soda Ash, merged in August 1999. The FMC acquisition of the Tg operation and leases in August 1999 and the Solvay acquisition of the Church and Dwight sodium leases in January 1999, have prompted questions by the public and industry as to whether the acreage limits for Federal sodium lease holdings need to be increased. Lease acreage is evaluated in accordance with 43 C.F.R. 3503.38, which assigns proportional ownership shares to the respective parties. FMC-Tg relinquished some leases during their merger process. BLM believes that it is in the public interest to allow companies to continue to hold mined-out acreage in support of existing operations where there is the possibility of future secondary recovery.

Mining technology has improved. Underground room-and-pillar mining, using a combination of conventional, continuous, and shortwall mining equipment, is the primary method of mining Wyoming trona ore. This method has an average 45% mining recovery, which is higher than the 30% average mining recovery from solution mining. Improved solution mining techniques, such as horizontal drilling to establish communication between well pairs, could increase this extraction rate and enable companies to develop some of the deeper trona economically. Technological advances are linked to the need for higher acreage limits because mined acreage must be retained—thus counted against acreage limits—by the mine operator for access and ventilation. New in-situ mining and processing techniques may be developed in the future.

The need for an increase in acreage limit is apparent when we note that the penalty for an acreage violation is lease cancellation (30 U.S.C. 184(h)(1)). The next lease renewal cycle for trona firms in the Green River Basin of Wyoming is 2006.

#### CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill H.R. 3063, as ordered reported, as shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

#### **THE ACT OF FEBRUARY 25, 1920 (MINERAL LEASING ACT)**

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**SEC. 27 \* \* \***

(b)(1) No person, association, or corporation, except as otherwise provided in this subsection, shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, sodium leases or permits on an aggregate of more than five thousand one hundred and twenty acres in any one State.

(2) The Secretary may, in his discretion, where the same is necessary in order to secure the economic mining of sodium compounds leasable under this Act, permit a person, association, or corporation to take or hold sodium leases or permits on up to [fifteen thousand three hundred and sixty] 30,720 acres in any one State.

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